

FILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

Mar 16, 2022

SEAN F. McAVOY, CLERK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

RONALD SHIELDS, individually and
as Personal Representative of the Estate
of NORMA SHIELDS, and on behalf of
the marital community of RONALD
SHIELDS and NORMA SHIELDS,

Plaintiff,

v.

TRANSAMERICA PREMIER LIFE
INSURANCE COMPANY, an Iowa
Corporation; NATIONAL RIFLE
ASSOCIATION OF AMERICA, a New
York Foreign Nonprofit Corporation,
d/b/a NRA Endorsed Insurance
Program; and, A.G.I.A. Inc., a
California Corporation d/b/a AGIA
Infinity, and as agent/Partner of NRA
Endorsed Insurance Program,

Defendant.

No. 2:20-cv-00438-SMJ

**ORDER GRANTING DEFENDANT
NATIONAL RIFLE
ASSOCIATION OF AMERICA'S
MOTION FOR LEAVE TO
AMEND ANSWER AND DENYING
PLAINTIFF'S MOTION FOR
PARTIAL SUMMARY
JUDGMENT**

Before the Court is Plaintiff's Motion for Partial Summary Judgment
Dismissal Various Affirmative Defenses Asserted by Defendant NRA, ECF No. 39,
and Defendant NRA's Motion for Leave to Amend Answer to Plaintiff's Amended
Complaint, ECF No. 44. In Plaintiff's motion for partial summary judgment, he

ORDER GRANTING DEFENDANT NATIONAL RIFLE ASSOCIATION OF
AMERICA'S MOTION FOR LEAVE TO AMEND ANSWER AND DENYING
PLAINTIFF'S MOTION FOR PARTIAL SUMMARY JUDGMENT – 1

1 seeks Federal Rule of Civil Procedure 56 dismissal of certain affirmative defenses
2 pled by Defendant. ECF No. 39. In response, Defendant seeks leave of Court to
3 amend its answer to Plaintiff's Amended Complaint to "provide fuller explanation
4 of certain defenses." ECF No. 44 at 2. Having reviewed the relevant record, and
5 consistent with Federal Rule of Civil Procedure 15(a)(2)'s direction to freely grant
6 leave to amend, the Court grants Defendant's motion and denies Plaintiff's motion
7 with leave to renew.

8 **BACKGROUND**

9 Plaintiff Ronald Shields sued Defendants on November 25, 2020, asserting a
10 myriad of claims arising out of a cancer indemnity insurance policy he purchased
11 as part of a National Rifle Association of American ("NRA") program offered to
12 NRA members. *See generally* ECF No. 1. Plaintiff asserts these claims individually
13 and in representative capacities on behalf of his late wife's estate and their marital
14 estate. *Id.* at 2.

15 Plaintiff originally purchased indemnity insurance in 1986 through North
16 American Life and Casualty Company. ECF No. 1 at 9, 28. After North American
17 Life and Casualty Company ceased underwriting the coverage, Monumental Life
18 Insurance Company, now TransAmerica Life Insurance Company

1 (“TransAmerica”), issued a cancer indemnity insurance policy (“the Policy”) that
 2 insures Plaintiff and insured his deceased wife.¹ *Id.* ¶ 1.1

3 On April 8, 2019, Plaintiff submitted a death benefit claim under the Policy
 4 for benefits related to his wife’s cancer treatment and for “other promised benefits.”
 5 *Id.* at 4; *see also* ECF No. 25 at 5. After TransAmerica closed the claim without
 6 paying it, Plaintiff instituted this action.²

7 On October 5, 2021, Plaintiff filed a motion for leave of Court to file an
 8 amended complaint. ECF No. 19. Plaintiff’s proposed amended complaint corrected
 9 typographical errors and included a claim for punitive damages under the laws of
 10 New York, Iowa, and California. ECF No. 19. Defendant opposed Plaintiff’s
 11 motion, but the Court granted Plaintiff leave to amend under Rule 15(a)(2)’s liberal
 12 standard. ECF No. 30. The Court will afford Defendant the same opportunity.

13 **LEGAL STANDARD**

14 Federal Rule of Civil Procedure 15(a)(2) directs Courts to “freely give leave”
 15 to amend the pleadings “when justice so requires.” Although courts must be
 16 generous in granting leave to amend, *United States v. Corinthian Colleges*, 655 F.3d

17 ¹ This Policy, issued in 2014, appears to offer different benefits than those offered
 18 under the first policy purchased in 1986. *See generally* ECF No. 1 at Ex. 1,4.

19 ² The gist of Plaintiff’s grievances—set forth through fourteen causes of action—
 20 is that Defendant TransAmerica has failed to honor its obligations under the Policy
 and that Defendants TransAmerica, NRA, and AGAI (the third-party administrator
 of the Policy) engaged in deceptive acts and practices. *See generally* ECF No. 1.

1 984, 995 (9th Cir. 2011), such leave is not automatic, *see Parish v. Frazier*, 195
2 F.3d 761, 763 (5th Cir. 1999). Granting leave to amend is within the discretion of
3 the trial court. *See Foman v. Davis*, 371 U.S. 178, 182 (1962). Courts consider
4 several factors, including (1) bad faith on the part of the movant; (2) undue delay;
5 (3) prejudice to the opposing party; (4) futility of amendment; (5) and whether the
6 plaintiff has previously amended the complaint. *Corinthian Colleges*, 655 F.3d at
7 995.

8 A court may deny leave to amend “if the proposed amendment is futile or
9 would be subject to dismissal.” *Wheeler v. City of Santa Clara*, 894 F.3d 1046, 1059
10 (9th Cir. 2018). An amendment is futile when “no set of facts can be proved under
11 the amendment to the pleadings that would constitute a valid and sufficient claim
12 or defense.” *Miller v. Rykoff–Sexton*, 845 F.2d 209, 214 (9th Cir. 1988).

13 DISCUSSION

14 Plaintiff seeks summary dismissal of 22 of Defendant’s affirmative defenses,
15 arguing they lack legal and factual support and fail to provide fair notice to Plaintiff.
16 *See generally* ECF No. 39. While Defendant disputes the merits of Plaintiff’s
17 motion, it also requests the Court permit it to amend its answer to further elaborate
18 the grounds for its defenses.³ ECF No. 44.

19
20 ³ The Court notes that Defendant did not respond to Plaintiff’s motion requesting
leave to amend its answer.

1 As an initial matter, a review of the relevant record does not reveal any bad
2 faith on the part of Defendant. To the contrary, Defendant promptly sought leave—
3 filing its motion less the one month after Plaintiff contested the merits of
4 Defendant’s affirmative defenses. Moreover, Plaintiff requested leave before the
5 deadline to amend pleadings passed, and well before the discovery cutoff in this
6 matter. Trial is not set to commence for eight months, and the parties are still in the
7 relatively early stages of discovery.⁴ Given that trial remains distant, and the
8 discovery deadline has not yet passed, any prejudice to Plaintiff at this juncture is
9 minimal. Of course, should Plaintiff petition the Court for a continuance due to any
10 delay caused by Defendant’s amended answer, the Court will consider this order as
11 a basis.

12 Having reviewed the Defendant’s proposed amended answer, ECF No. 44-1,
13 the Court cannot say that the proposed amendments are futile, such that “no set of
14 facts can be proved under the amendment to the pleadings that would constitute a
15 valid and sufficient claim or defense.” *Miller*, 845 F.2d at 214. Rather, the proposed
16 amendments seek to cure the deficiencies identified by Plaintiff, which will further
17 the efficient resolution of this case. Finally, this is Defendant’s first request to
18 amend its answer. But, given that both parties have now been afforded an
19

20 ⁴ Defendant proffers that as of the date it filed its motion, the parties have not yet
conducted any depositions in this matter.

1 opportunity to amend their respective pleadings, the Court cautions the parties that
2 it will scrutinize subsequent requests for leave to amend, particularly as the
3 discovery cutoff and trial date draw near. Accordingly, the Court grants Defendant
4 leave to file an amended answer to Plaintiff's Amended Complaint.

5 With this in mind, Plaintiff's motion for partial summary judgment is denied,
6 but he will be granted leave to renew his motion. Because the Court has granted
7 Defendant leave to amend, it would be inefficient to rule on Plaintiff's request to
8 dismiss Defendant's affirmative defenses as originally pled. However, Plaintiff may
9 renew his motion if Defendant's amended answers suffer from the same (or new)
10 deficiencies.

11 Accordingly, **IT IS HEREBY ORDERED:**

12 **1.** Defendant's Motion for Leave to Amend Answer to Plaintiff's
13 Amended Complaint, **ECF No. 44**, is **GRANTED**.

14 **A.** Defendant shall file its amended answer complaint **by no later**
15 **than two from the date of this Order.**

16 **2.** Plaintiff's Motion for Partial Summary Judgment Dismissal Various
17 Affirmative Defenses Asserted by Defendant NRA, **ECF No. 39**, is
18 **DENIED WITH LEAVE TO RENEW.**

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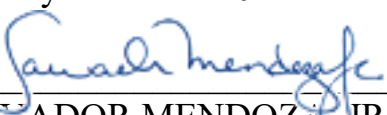
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IT IS SO ORDERED. The Clerk's Office is directed to enter this Order and provide copies to all counsel.

DATED this 16th day of March 2022.



SALVADOR MENDOZA, JR.
United States District Judge